

## **Supporting Statement for Paperwork Reduction Act Submission**

College Affordability and Transparency Explanation Form (CATEF) 2018-2020

### **A. Justification**

**1. Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection. Attach a hard copy of the appropriate section of each statute and regulation mandating or authorizing the collection of information, or you may provide a valid URL link or paste the applicable section<sup>1</sup>. Specify the review type of the collection (new, revision, extension, reinstatement with change, reinstatement without change). If revised, briefly specify the changes. If a rulemaking is involved, make note of the sections or changed sections, if applicable.**

The Office of Postsecondary Education (OPE) is seeking a three-year extension for the College Affordability and Transparency Explanation Form (CATEF) data collection. Since 2011-12, the collection of information through CATEF is necessary pursuant to §132 of the Higher Education Act of 1965 as amended (HEA), 20 U.S.C. §1015a, with the goal of increasing transparency of college tuition prices for consumers. This submission is for the 2017-18, 2018-19, and 2019-20 collection years.

#### **a. Related background information**

Section 132 of the HEA includes provisions designed to improve transparency in college tuition for consumers. In response to these provisions, the Department of Education (ED) created the College Affordability and Transparency Center (CATC) website (<http://collegecost.ed.gov/>), which can be accessed through College Navigator. The CATC website includes information for students, parents, and policymakers about costs at America's postsecondary institutions. The website also includes several lists of institutions based on the tuition and fees and net prices (the price of attendance after considering all grant and scholarship aid) charged to students.

This request is to continue to survey institutions using the CATEF, which collects follow-up information from a specific subset of institutions. The specific institutions are those that appear on the tuition and fees and/or net price increase CATC Lists for being in the five percent of institutions in their institutional sector that have the highest increases, expressed as a percentage change, over the three-year time period for which the most recent data are available. The lists published on the CATC website are generated using data collected by the National Center for Education Statistics (NCES) through the Integrated Postsecondary Education Data System (IPEDS). IPEDS is a mandatory data collection for institutions that participate in any federal student financial aid program authorized by Title IV of the HEA (20 USC § 1094, Section 487(a)(17) and 34 CFR 668.14(b)(19)).

The information collected through CATEF is used to write a summary report for Congress that is

---

<sup>1</sup> Please limit pasted text to no longer than 3 paragraphs.

also posted on the CATC website (accessible through the College Navigator). The report summarizes the general and sector specific findings from the CATEF responses using descriptive statistics.

There are six sections to CATEF. Section 1 of CATEF asks for general information of the individual who is completing the form on behalf of a CATC institution. Section 2 preloads the cost areas showing the greatest increases over a three-year period from data reported on the IPEDS Finance survey component. Section 3 requires institutions to provide an explanation for the three cost areas with the highest percentage change increase over the same three-year period. Section 4 asks the institutions to explain steps that have been taken or will be taken toward reducing the identified areas of increased costs. Section 5 provides the opportunity for institutions to describe the extent to which they participate in setting tuition and fees and net prices for students and identify the agencies outside of the institution that decide those student charges. Section 6 asks institutions to estimate the burden to complete the CATEF. The two CATEF forms have the same questions with the only difference being that one is focused on changes in tuition and fees and the other is focused on changes in net prices.

b. Statutory requirements for College Affordability and Transparency Center Explanation Form (CATEF)

Section 132 of the HEA which mandates the CATEF collection requires the Department to collect additional information from the institutions in the top five percent of their institutional sector for increases in either tuition and fees and/or net price to students over the most recent three-year period for which data are available (see §132(e) of the HEA). The additional information that must be collected from the institutions includes:

A description of the major areas in the institution's budget with the greatest cost increases.

An explanation of the cost increases.

A description of the steps the institution will take toward the goal of reducing costs in the areas described.

In the case of an institution that is included on the same list for two or more consecutive years, a description of the progress made on the steps stated in item #3 of this list.

If the determination of any cost increase described above is not within the exclusive control of the institution-

an explanation of the extent to which the institution participates in determining such cost increase;

the identification of the agency or instrumentality of State government responsible for determining such cost increase; and

Any other information the institution considers relevant to the report.

**2. Indicate how, by whom, and for what purpose the information is to be used. Except for a new collection, indicate the actual use the agency has made of the information received from the current collection.**

The information collected using the CATEF is used to write an annual report to Congress that is also published on the College Navigator and CATC websites. This report summarizes information on the major areas of institutions' budgets with the greatest cost increases, the explanations for these increases, and the steps institutions have been or will be taking towards

reducing these costs. This summary report also includes information on whether the institutions have exclusive control of the increase in student charges and if not, which agency is responsible for determining those increases and to what extent the institution participates in that determination process.

Institutions that continue to appear on the list of the top five percent of institutions in their sector with the highest increases in tuition and fees and/or net price to students have to describe the progress they have made on the steps towards cost reductions they reported in the previous year.

**3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical or other technological collection techniques or forms of information technology, e.g. permitting electronic submission of responses, and the basis for the decision of adopting this means of collection. Also describe any consideration of using information technology to reduce burden.**

The CATEF collection has employed several techniques to reduce respondent burden while improving the timeliness and quality of the information reported:

1. the institutional burden is reduced by identifying ahead of time which CATEF form an institution should complete – there are two CATEF forms (see supporting documents), the Net Price form and the Tuition and Fees form (an institution could appear on both the tuition and fees and the net price increase CATC Lists, and be required to complete both forms);
2. NCES preloads and/or calculates reported data in the CATEF Section 2 “Cost Area,” which is based on expense data reported on the IPEDS Finance survey component and full-time equivalent (FTE) student enrollment data reported on the IPEDS 12-Month Enrollment survey component;
3. edit checks and data verification procedures are built into the collection process, thus resolving errors at the time of data submission and making the process more efficient;
4. the institutions that appear on the CATC Lists change from year to year – however, for institutions that appear on CATC and complete a CATEF two years in a row, a PDF copy of the previous year’s completed CATEF is emailed to help these institutions explain the progress they made on the previous year’s steps to reduce costs; and
5. the use of a web-based form also reduces burden to the institutions by allowing for aggregation of the information they submit, leading to a timelier release of the summary report to Congress.

**4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use of the purposes described in Item 2 above.**

ED has made the effort to ensure that the CATEF does not duplicate other data collection activities. While some information on institutional finances are already collected in IPEDS, the level of detail and explanations required to satisfy the statute are not currently collected by ED outside of CATEF.

**5. If the collection of information impacts small businesses or other small entities, describe any methods used to minimize burden. A small entity may be (1) a small business which is**

**deemed to be one that is independently owned and operated and that is not dominant in its field of operation; (2) a small organization that is any not-for-profit enterprise that is independently owned and operated and is not dominant in its field; or (3) a small government jurisdiction, which is a government of a city, county, town, township, school district, or special district with a population of less than 50,000.**

Certain providers of postsecondary education identified in the CATC Lists, specifically operators of proprietary (private, for-profit) schools, may be classified as small businesses. This collection, which fulfills the statutory requirements, is designed to minimize burden for all respondents through the use of technology.

**6. Describe the consequences to Federal program or policy activities if the collection is not conducted or is conducted less frequently as well as any technical or legal obstacles to reducing burden.**

Annual CATEF collection is required by the HEA. Without CATEF data, ED would not be able to meet its legal obligation to report to Congress on institutions' progress towards the goal of reducing costs to students.

**7. Explain any special circumstances that would cause an information collection to be conducted in a manner:**

- **requiring respondents to report information to the agency more often than quarterly;**
- **requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;**
- **requiring respondents to submit more than an original and two copies of any document;**
- **requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records for more than three years;**
- **in connection with a statistical survey, that is not designed to produce valid and reliable results than can be generalized to the universe of study;**
- **requiring the use of a statistical data classification that has not been reviewed and approved by OMB;**
- **that includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use; or**

- **requiring respondents to submit proprietary trade secrets, or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.**

None of the special circumstances described apply to this collection.

**8. If applicable, provide a copy and identify the date and page number of publication in the Federal Register of the agency's notice, required by 5 CFR 1320.8(d), soliciting comments on the information collection prior to submission to OMB. Summarize public comments received in response to that notice and describe actions taken by the agency in response to these comments. Specifically address comments received on cost and hour burden.**

**Describe efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instruction and record keeping, disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed, or reported.**

No changes are being made to the survey instrument so no public comment has been sought.

**9. Explain any decision to provide any payment or gift to respondents other than remuneration of contractors or grantees.**

There are no payments or gifts offered to respondents.

**10. Describe any assurance of confidentiality provided to respondents.**

Information for the CATEF is not collected under any pledge of confidentiality.

**11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private. The justification should include the reasons why the agency considers the questions necessary, the specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.**

This collection contains no questions of a sensitive nature.

**12. Provide estimates of the hour burden of the collection of information.**

The estimated time burden to respondent per form for the CATEF is 3.27 hours on average, which is based on feedback provided by the 567 institutions that responded to the 2017 CATEF collection. The form will be completed by the top five percent of institutions in each sector with the largest increases in tuition and fees and/or net prices to students. Thus, the exact number of institutions that will be included in the collection may vary slightly from year to year based on the number of institutions in each sector. The number of respondents may also vary depending

on how many institutions are included on both the tuition and fees and net price increase lists, as that overlap would limit the number of other institutions included in the top five percent that would have to report data. The 2018 collection will have 582 institutions (327 on the Tuition and Fee increase list only, 307 on the Net Price Increase List only, but 49 are on both of these lists) that will need to fill out a total of 631 forms, resulting in an estimated burden of 2,063 hours per year for all respondents. Because the institutions that will be on the CATC Lists in subsequent years have not yet been identified, we are using the 2018 number of respondents as the estimated number for subsequent years (table 2).

In all cases, if the data are readily accessible, then the time required is less than the estimated burden hours. Estimates include the time for reviewing instructions, gathering and maintaining the institution’s general purpose financial statements for the corresponding first and third years used in the list calculation, and completing and reviewing the required information. This time burden was reviewed by the people noted in section A.8 and B.5 that provided consultation on the survey. Every year of the CATEF collection, ED asks the institutions how long it took them to complete the survey.

**Table 2: Estimated annual burden to respondents**

| <b>Collection year</b> | <b>Number of Respondents</b> | <b>Number of Responses</b> | <b>Average Burden Hours Per Response</b> | <b>Estimated Total Burden Hours</b> |
|------------------------|------------------------------|----------------------------|--|-------------------------------------|
| CATEF                  | 582                          | 631                        | 3.27                                     | 2,063                               |

The total cost to respondents is based on the estimated response burden (hours) multiplied by \$49.67<sup>2</sup> (in 2016), which was estimated using the median hourly wage (including benefits) for an operations research analyst and computer programmer (for running programs to extract data). The hourly wage is increased by an assumed two percent cost-of-living adjustment for subsequent years (table 3).

**Table 3: Estimated costs to respondents, by collection year**

| <b>Collection year</b> | <b>Estimated Total Burden Hours</b> | <b>Estimated cost per hour</b> | <b>Estimated Response Burden Cost</b> |
|------------------------|-------------------------------------|--------------------------------|---------------------------------------|
| 2017-18                | 2,063                               | \$49.67                        | \$102,469                             |
| 2018-19                | 2,063                               | \$49.67                        | \$102,469                             |
| 2019-20                | 2,063                               | \$49.67                        | \$102,469                             |

**13. Provide an estimate of the total annual cost burden to respondents or record keepers resulting from the collection of information. (Do not include the cost of any hour burden shown in Items 12 and 14.)**

<sup>2</sup> The estimated response burden cost is derived from the median hourly wage rates of operations research analysts (\$38.08) and computer programmers (\$38.39) published by the U.S. Bureau of Labor Statistics 2016, and adjusting the median hourly rates by 30.2% to include benefits. Using the estimated response burden hours of 3.27 reported by institutions completing the CATEF in 2013-14, NCES estimates the work would take 2.58 hours of an operations research analyst and .69 hours of a computer programmer, resulting in an hourly rate of approximately \$49.67. Note: The position of operations research analyst (SOC code 15-2031) is the best proxy for institutional researchers.

There is no cost burden to respondents or record keepers for start-up or capital associated with this collection.

**14. Provide estimates of annualized cost to the Federal government. Also, provide a description of the method used to estimate cost, which should include quantification of hours, operational expenses (such as equipment, overhead, printing, and support staff), and any other expense that would not have been incurred without this collection of information. Agencies also may aggregate cost estimates from Items 12, 13, and 14 in a single table.**

On an annual basis, over the three collection years, the Department's contract costs will average about \$100,000 per year to include both the collection of the data and analysis support for the final report; Federal S&E will be approximately \$30,000 per year. Therefore, the total Federal annual cost will average about \$130,000/year over the three collection years. More than 95% of this amount will be spent in direct support of the collection, analysis, and reporting of the College Affordability and Transparency information described herein. The contract amount includes the data collection system development and maintenance; programming and software modifications and documentation; data collection, review, and analysis; survey administration; file preparation; and other related activities. The costs include personnel, fringe benefits, supplies, computer related activities, consultants, other direct and indirect costs, plus overhead and G&A.

The time estimates and costs associated with the activities described above are based on estimates from the contractors that currently support the CATEF collection and other College Affordability and Transparency operations. IPEDS in-house staff costs are based on FY2015 pay schedules. For FY2015, there is a 1% pay increase; however, for each of the subsequent fiscal years, we estimate a 0% increase due to the uncertainty of the federal budget's impact on wages and salaries for federal employees. We thus estimate the total cost to the government for the 2017-18, 2018-19, and 2019-20 CATEF data collections to be approximately \$420,000.

**15. Explain the reasons for any program changes or adjustments. Generally, adjustments in burden result from re-estimating burden and/or from economic phenomenon outside of an agency's control (e.g., correcting a burden estimate or an organic increase in the size of the reporting universe). Program changes result from a deliberate action that materially changes a collection of information and generally are result of new statute or an agency action (e.g., changing a form, revising regulations, redefining the respondent universe, etc.). Burden changes should be disaggregated by type of change (i.e., adjustment, program change due to new statute, and/or program change due to agency discretion), type of collection (new, revision, extension, reinstatement with change, reinstatement without change) and include totals for changes in burden hours, responses and costs (if applicable).**

No changes are being requested to the data collection instruments approved in November 2012 (OMB# 1840-0822 v.2). We will continue to use the same two CATEF forms: (1) Net Price and (2) Tuition and Fees. However, because the responding institutions in 2013-14 reported a higher average time per response than what we estimated in the last approved submission, we are

adjusting the total annual estimated burden to 3.2 hours per form. In order to better understand the factors that influence the response burden time per form and to arrive at a more accurate burden estimate for future OMB submissions, we plan to hold a small number of debrief calls (for an average of 8 minutes per call with up to 5 institutions per each of the 9 sectors). Thus this submission reflects a total burden time decrease of an additional 109 hours due to burden estimate adjustment.

**16. For collections of information whose results will be published, outline plans for tabulation and publication. Address any complex analytical techniques that will be used. Provide the time schedule for the entire project, including beginning and ending dates of the collection of information, completion of report, publication dates, and other actions.**

|                             |  |
|-----------------------------|--|
| <b><i>Previous Year</i></b> |  |
| July 1                      | CATC Lists are released  |
| <b><i>Current Year</i></b>  |  |
| First week of January       | Email sent to institutions on the highest tuition and/or net price increase<br>CATC List with instructions to complete CATEF |
| First week of January       | CATEF collection opens for approximately 4 weeks   |
| First week of February      | CATEF collection closes  |
| End of March                | CATEF summary report for previous collection is released along with the new CATC Lists                                       |

Annual survey activity is typically a 4 week collection cycle. Respondents will be the locking keyholders for the IPEDS data collection. They will be sent a UserID and randomly generated password to use for registration when the collection opens. Registration must take place (only once) before data can be entered into the system. Data will be entered directly into the system and will have to be entered for all required fields and have all errors resolved before data can be submitted. Once the collection closes for institutions, the survey administrators review the data. Following ED approval of the file, data will be tabulated and analyzed and the summary report prepared.

The report will summarize the general and sector specific findings from the CATEF using a mix of descriptive statistics and explanatory information. The main cost areas showing the highest increases will be identified using the quantitative information provided by institutions. The most commonly reported plans to reduce those cost increases will also be indicated. Finally, the extent to which institutions participate in setting tuition, fees, and net prices for students will be described and the agencies outside of the institutions that decide those student charges will be identified. Following the statutory requirements, the summary report will then be submitted to Congress and posted on the College Navigator website.

**17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.**

The Department is not seeking approval to forego displaying the OMB approval expiration date.



**18. Explain each exception to the certification statement identified in the Certification of Paperwork Reduction Act.**

There are no exceptions to the certification statement.